NOVA SCOTIA
HOUSING DEVELOPMENT CORPORATION

ANNUAL ACCOUNTABILITY REPORT
FOR THE FISCAL YEAR 2008-2009

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1.0 ACCOUNTABILITY STATEMENT

The accountability report of the Nova Scotia Housing Development Corporation for the year ended March 31, 2009, is prepared pursuant to the *Provincial Finance Act* and government policies and guidelines. These authorities require the reporting of outcomes against the corporation's business plan information for the fiscal year 2008-2009. The reporting of the Housing Development Corporation outcomes necessarily includes estimates, judgements, and opinions by the corporation's management.

This accountability report is the responsibility of the corporation's management and is, to the extent possible, a complete and accurate representation of outcomes relative to the goals and priorities set out in the corporation's business plan for the year.

Denise Peterson-Rafuse
Minister, Department of Community Services

Judith F. Ferguson
Deputy Minister, Department of Community Services

2.0 Message From the Nova Scotia Housing Development Corporation

It is my pleasure to present the 2008-2009 Accountability Report for the Nova Scotia Housing Development Corporation. This report provides an overview of the corporation's progress and accomplishments.

The corporation, through the staff of the Department of Community Services and seven housing authorities, enables the provision of a variety of services to support healthy and diverse communities.

In 2008-2009, the corporation successfully secured $102.12 million in funding - the largest investment in housing since the 1970s. This investment will support the rejuvenation and greening of the province's public housing stock, the creation of additional housing for seniors, persons with disabilities, and affordable housing options for low-income Nova Scotians, as well as enable government to continue with the Residential Rehabilitation Assistance Program.

I hope you will find the information helpful in understanding the corporation's progress in providing a range of capital financing tools to support government's public policy agenda.

Regards,

Denise Peterson-Rafuse
Minister, Department of Community Services

3.0 INTRODUCTION

The Annual Accountability Report is a report on the progress achieved by the corporation towards the goals, priorities, performance measures, and financial targets established in the 2008-2009 Business Plan, and is available at
http://www.gov.ns.ca/coms/department/Publications.html

The Nova Scotia Housing Development Corporation, created in 1986, provides financing for government's social and supported housing programs. It is responsible for holding the province's social housing assets and consolidating the revenues and expenditures associated with operating these assets. The goal of the Nova Scotia Housing Development Corporation is to ensure the province has a range of financial tools available to support government's housing objectives.

Created by the *Nova Scotia Housing Development Corporation Act*, the corporation's activities include:

- the acquisition and disposal of real estate
- negotiating agreements
- borrowing and investing funds
- lending money and guaranteeing payments
- mortgaging property

The staff of the Department of Community Services carry out the management and administration functions of the corporation, but are not direct employees.

REPORT STRUCTURE

This report is organized into two main sections. The first section outlines the corporation's progress and accomplishments against the priorities identified in the 2008-2009 Business Plan. The next section provides details regarding performance measures and the results achieved. The financial results of the Nova Scotia Housing Development Corporation are reported on in the Audited Financial Statements. These statements are available at
http://www.gov.ns.ca/finance/site-finance/media/finance/2009vol2.pdf

4.0 PRIORITIES AND ACCOMPLISHMENTS

The Nova Scotia Housing Development Corporation secures the necessary funding and manages the related assets that enable the Department of Community Services to provide programs which address the housing needs of Nova Scotians.

The work of the corporation is very closely aligned and integrated with the work of the Housing core business area of the Department of Community Services. The following accomplishments is in addition to the many ongoing activities that Community Services staff carry out on behalf of the corporation.

EXAMINED THE CORPORATION'S GOVERNANCE STRUCTURE

In 2008-2009, a review of the governance structure of the corporation was completed. The review examined ways to strengthen accountability and improve the efficiency and effectiveness of the corporation's operations. In 2009-2010, the corporation will focus on implementing these recommendations.

PROVIDED FINANCIAL ASSISTANCE

The corporation, on behalf of the Province, works to ensure that there are a range of capital financing tools to support government's public policy agenda. In 2008-2009, the corporation worked with the Department of Health to provide approximately $45.5 million in financial assistance to long term care facility proponents who are constructing new, replacing, and/or expanding long term care facilities.

CAPITAL ASSET MANAGEMENT PLAN

In 2008-2009, a long term capital works plan was completed. This plan will form an integral part of the department's strategic financial planning and capital asset budgetary processes and will support decisions and strategies on capital investment of the public housing portfolio in the long term.

STIMULUS FUNDING

In 2008-2009, the corporation successfully secured $102.12 million in funding - the largest investment in housing since the 1970s. This investment will support the rejuvenation and greening of the province's public housing stock, the creation of additional housing for seniors, persons with disabilities, and affordable housing options for low-income Nova Scotians, as well as enable government to continue with the Residential Rehabilitation Assistance Program.

5.0 FINANCIAL RESULTS

Please refer to the Audited Financial Statements for the financial results of the Nova Scotia Housing Development Corporation. These statements are available at http://www.gov.ns.ca/finance/site-finance/media/finance/2009vol2.pdf

6.0 PERFORMANCE MEASURES

This section provides detailed information on the outcomes and performance measures of the Nova Scotia Housing Development Corporation.

AMOUNT OF FINANCIAL ASSISTANCE AND/OR MORTGAGE GUARANTEES

WHAT DOES THE MEASURE TELL US?

The corporation provides financing assistance to qualified agencies to purchase, lease or upgrade housing/shelter related facilities. This involves giving the agencies preferred interest rates for longer term periods than would be provided by private lenders. Agencies are protected from fluctuations in their on-going operating costs. This is particularly important to Community Services and the Department of Health, since publically subsidized per diem rates include financing costs.

This measure reports the amount of financial assistance and/or mortgage guarantees provided to social housing projects. Qualifying projects generally must meet at least one of the following criteria:

- increase the supply of safe, affordable, appropriate and sustainable housing in Nova Scotia
- reduce the long-term interest rate risk to the Province of Nova Scotia
- have an acceptable level of risk to the corporation
- reduce the long term financing costs to the Province of Nova Scotia.

WHERE ARE WE NOW?

In 2008-2009, the corporation working with the Department of Health provided approximately $45.5 million in financial assistance to long term care facility proponents who are constructing new, replacing, and/or expanding long term care facilities. In addition, $146,000 was advanced to Conserve Nova Scotia for loans to 54 clients.

Amount of Financial Assistance and/or Mortgage Guarantees			
2005-2006 (BY)	**2006-2007**	**2007-2008**	**2008-2009**
$12.87 million	$9 million	$67 million	$45.5 million

WHERE DO WE WANT TO BE IN THE FUTURE?

The number of projects that will be approved for financing is expected to increase significantly, primarily due to government's commitment to invest a $102.12 million in housing infrastructure. The corporation will continue to support the Department of Health in the development of new long term beds, the delivery of the province's EnerGuide Loan Program, and the commercial child care sector to improve its facilities and create additional child care spaces.